

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 1, 2022**

ASTRONICS CORPORATION

(Exact name of registrant as specified in its charter)

New York
(State of Other Jurisdiction of Incorporation)

0-7087
(Commission File Number)

16-0959303
(I.R.S. Employer Identification No.)

130 Commerce Way
East Aurora, New York
(Address of principal executive offices)

14052
(Zip Code)

Registrant's telephone number, including area code: **(716) 805-1599**

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$.01 par value per share	ATRO	NASDAQ Stock Market

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

The disclosure set forth in Item 2.03 below is incorporated in this Item 1.01 by reference.

Item 2.02 Results of Operations and Financial Condition.

On March 2, 2022, Astronics Corporation issued a news release announcing its fourth quarter and full year financial results for 2021. A copy of the press release is attached as Exhibit 99.1.

The information contained herein and in the accompanying exhibit shall not be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing. The information in this report including the exhibit hereto, shall not be deemed to be “filed” for purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Astronics Corporation (the “Company”) amended its existing credit facility on March 1, 2022 by entering into Amendment No. 2 (the “Amendment”) to the Fifth Amended and Restated Credit Agreement dated as of February 16, 2018, with HSBC Bank USA, National Association, as Agent, and the lenders signatory thereto. The Amendment reduced the maximum amount that the Company can borrow under the revolving credit line from \$375 million to \$225 million and extended the maturity date for the facility from February 16, 2023 to May 30, 2023. The Amendment also removes the Company’s prior option to increase the amount of the revolving credit line.

Pursuant to the Amendment, the Company’s maximum net leverage ratio must not exceed 4.75 to 1 as of the quarter ended March 31, 2022; 4.75 to 1 as of the quarter ended June 30, 2022; and 3.75 to 1 for all quarterly periods ended thereafter through the maturity date. The Amendment also requires the Company to maintain minimum liquidity, defined as unrestricted cash plus the unused revolving credit commitments, of \$35 million tested as of the last day of each month.

The Company will pay interest on the unpaid principal amount of the amended facility at a rate equal to one-, three- or six-month SOFR (which shall be at least 1.00%) plus an applicable margin ranging between 1.500% and 3.250% based upon the Company’s leverage ratio. The Company will also pay a commitment fee to the lenders in an amount equal to 0.10% to 0.40% on the undrawn portion of the Amended Facility, based upon the Company’s leverage ratio. The amendment provided for the payment of a consent fee of 10 basis points of the commitment for each consenting lender.

Under the terms of the Amendment, the Company granted a first priority lien mortgage on all real estate owned by the Company in favor of the lenders.

The Amendment also temporarily restricts certain activities, including acquisitions, dividend payments and share repurchases, by the Company through at least September 30, 2022. The

Company's ability to begin reengaging in such activities after such date is subject to its compliance with the required maximum net leverage ratio as of such date and in future periods.

The above description does not purport to be complete and is qualified in its entirety by reference to the Amendment, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

Press Release of Astronics Corporation dated March 2, 2022

Amendment No. 2 to the Fifth Amended and Restated Credit Agreement dated March 1, 2022

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 2, 2022

By: **Astronics Corporation**
/s/ David C. Burney
Name: David C. Burney
Executive Vice President and Chief Financial
Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
10.1	Amendment No. 2 (the "Amendment") to the Fifth Amended and Restated Credit Agreement dated as of March 1, 2022
99.1	Press Release of Astronics Corporation dated March 2, 2022

**TO
FIFTH AMENDED AND RESTATED CREDIT AGREEMENT**

AMENDMENT NO. 2

This Amendment No. 2 (“Amendment”) dated as of March 1, 2022 (the “Second Amendment Date”) to the Agreement, as defined below, is entered into by and among Astronics Corporation (“Borrower”), certain lenders under the Agreement (the “Lenders”) and HSBC Bank USA, National Association, as agent for the Lenders under the Agreement (“Agent”), and as the Swingline Lender and Issuing Bank. Terms used herein and not otherwise defined are used with their defined meanings from the Agreement.

Recitals

- A. The Borrower, the Agent and the Lenders are the parties to a Fifth Amended and Restated Credit Agreement dated as of February 16, 2018, as amended by Amendment No. 1 to Fifth Amended and Restated Credit Agreement (“First Amendment”) dated May 4, 2020 (the “Agreement”).
- B. Pursuant to Section 9.14 of the Agreement, the Borrower has requested that the Agent and the Lenders amend certain terms of the Agreement.
- C. The Lenders and the Agent are agreeable to the foregoing to the extent set forth in this Amendment.
- D. The Borrower and each of the Guarantors will benefit from the changes to the Agreement set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and of the loans or other extensions of credit heretofore, now or hereafter made by the Lenders to, or for the benefit of, the Borrower and its Subsidiaries, the parties hereto agree as follows:

1. Conditions Precedent to this Amendment. This Amendment shall be effective as of the date first written above once the following conditions precedent are satisfied:

1.1 Amendment Documentation. The Agent shall have received a copy of this Amendment executed by all parties hereto, and copies of the Notes, the Environmental Indemnification Agreements and the Reaffirmation Agreement.

1.2 No Default. As of the date hereof, after giving effect hereto, no Default or Event of Default shall have occurred and be continuing.

1.3 Beneficial Ownership. If requested by any Lender, a Beneficial Ownership Certification in relation to the Borrower. As of the date hereof, the information included in any Beneficial Ownership Certification furnished to any of the Lenders, as applicable, is true and correct in all respects.

1.4 Third Party Reports. The Agent shall have received real property appraisals and environmental site assessments prepared by a qualified third party consultant approved by the Agent, in each case satisfactory to Agent.

1.5 Representations and Warranties. The representations and warranties contained in the Agreement shall be true, correct and complete as of the date hereof as though made on such date, except to the extent such representations and warranties are expressly limited to a specific date.

1.6 Payment of Fee. The Borrower shall have paid to the Agent, for the ratable benefit of each Lender that has provided its signature hereto to the Agent no later than 12:00 pm, New York City time by March __, 2022 a consent fee in the amount of 10 basis points of the Commitment for each Lender that so consents (the "Closing Date Consent Fee"). Any fees or costs required to be paid on or before the effectiveness of this Amendment (including, without limitation, the Closing Date Consent Fee and the cost in connection with any third party reports) shall have been paid.

2. Amendments. The Agreement is amended as follows:

2.1 Article I entitled "**Definitions**" is amended by deleting the definitions of "**30-Day LIBOR Rate**", "**Benchmark Replacement Conforming Changes**", "**Benchmark Transition Start Date**", "**Early Opt-in Election**", "**Libor Interest Determination Date**", "**LIBOR Lending Office**", "**LIBOR Loan**", "**LIBOR Rate**", and "**Libor Rate Option**":

2.2 Article I entitled "**Definitions**" is amended by deleting the present definitions of the terms set forth below and replacing them in their entirety with the following definitions:

"**ABR**" or "**Alternate Base Rate**" - For any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (i) the Prime Rate, (ii) the Federal Funds Effective Rate from time to time in effect plus 0.5%, (iii) the Adjusted Term SOFR Rate for a one month Interest Period (taking into account any floor) in effect on such day, plus 1% or (iv) two percent (2%). Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted Term SOFR Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted Term SOFR Rate, respectively.

"**Applicable Commitment Fee Rate**" - (i) Initially, until changed in accordance with the following provisions, the Applicable Commitment Fee Rate shall be 0.40%; and (ii) commencing with the fiscal quarter of Borrower ended on March 31, 2022, and continuing with each fiscal quarter thereafter, the Agent shall determine the Applicable Commitment Fee Rate in accordance with the following matrix, based on the Leverage Ratio:

<u>Level</u>	<u>Leverage Ratio</u>	<u>Commitment Fee</u>
1	≤ 1.5 to 1.0	0.10%
2	> 1.5 to 1.0 but ≤ 2.0 to 1.0	0.15%
3	>2.0 to 1.0 but ≤ 3.0 to 1.0	0.20%
4	> 3.0 to 1.0 but ≤ 3.5 to 1.0	0.25%
5	>3.5 to 1.0 but ≤ 4.0 to 1.0	0.30%
6	>4.0 to 1.0	0.40%

Changes in the Applicable Commitment Fee Rate shall become effective three (3) Business Days immediately following the date of delivery by Borrower to the Agent of a financial statement and a Compliance Certificate required to be delivered pursuant to Sections 5.2(a) and (b) of this Agreement, and shall be based upon the Leverage Ratio in effect at the end of the financial period covered by such financial statement and Compliance Certificate. Notwithstanding the foregoing provisions, during any period when the Borrower has failed to deliver such a financial statement and Compliance Certificate when due, the Applicable Commitment Fee Rate shall be applied at Level 6 above as of the first Business Day after the date on which such financial statement and Compliance Certificate were required to be delivered, regardless of the Leverage Ratio at such time, until the date the required financial statement and Compliance Certificate have been delivered. Any changes in the Applicable Commitment Fee Rate shall be determined by the Agent in accordance with the provisions set forth in this definition and the Agent will promptly provide notice of such determinations to the Borrower and the Lenders. Any such determination by the Agent shall be conclusive absent manifest error.

“Applicable Lending Office” - With respect to each Lender, such Lender’s Domestic Lending Office in the case of an ABR Loan and such Lender’s SOFR Lending Office in the case of a SOFR Loan.

“Applicable Margin” - (i) Initially, until changed in accordance with the following provisions, the Applicable Margin shall be 2.250% for ABR Loans and 3.250% for SOFR Loans; (ii) commencing with the fiscal quarter of Borrower ended on March 31, 2022, and continuing with each fiscal quarter thereafter, the Agent shall determine the Applicable Margin in accordance with the following matrix, based on the Leverage Ratio:

<u>Level</u>	<u>Leverage Ratio</u>	<u>SOFR Rate Option</u>	<u>ABR Option</u>
1	≤ 1.5 to 1.0	1.500%	0.500%
2	> 1.5 to 1.0 but ≤ 2.0 to 1.0	1.625%	0.625%
3	> 2.0 to 1.0 but ≤ 3.0 to 1.0	1.750%	0.750%
4	> 3.0 to 1.0 but ≤ 3.5 to 1.0	2.375%	1.375%
5	> 3.5 to 1.0 but ≤ 4.0 to 1.0	2.500%	1.500%
6	> 4.0 to 1.0	3.250%	2.250%

Changes in the Applicable Margin shall become effective three (3) Business Days immediately following the date of delivery by Borrower to the Agent of a financial statement and a Compliance Certificate required to be delivered pursuant to Sections 5.2(a) and (b) of this Agreement, and shall be based upon the Leverage Ratio in effect at the end of the financial period covered by such financial statement and Compliance Certificate. Notwithstanding the foregoing provisions, during any period when the Borrower has failed to deliver such financial statement and Compliance Certificate when due, the Applicable Margin shall be applied at Level 6 above as of the first Business Day after the date on which such financial statement and Compliance Certificate were required to be delivered, regardless of the Leverage Ratio at such time, until the date the required financial statement and Compliance Certificate have been delivered. Any changes in the Applicable Margin shall be determined by the Agent in accordance with the provisions set forth in this definition and the Agent will promptly provide notice of such determinations to the Borrower and the Lenders. Any such determination by the Agent shall be conclusive absent manifest error. For the avoidance of doubt, with respect to any days prior to the Second Amendment Effective Date, the calculation of interest for such days with respect to any Loans outstanding shall utilize the definition of Applicable Margin in effect prior the Second Amendment Effective Date.

“Benchmark Replacement” - With respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

- (a) the sum of Daily Simple SOFR and 0.10% (10 basis points); or
- (b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, then such rate will be deemed to be equal to the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” - With respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” - The earlier to occur of the following events with respect to then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness, will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” - The occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that all Available

Tenors of such Benchmark (or the published component used in the calculation thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof)

“Benchmark Unavailability Period” - The period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.23 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.23.

“Borrower Collateral” - All of Borrower’s personal property and fixtures (other than the 14,535 shares of common stock of Tel-Instrument Electronics Corp. currently owned by Borrower), including 100% of the issued and outstanding Equity Interest in each Domestic Subsidiary other than Astronics Air LLC and Astronics Air II LLC, but limited to 65% of the issued and outstanding Equity Interest in each Foreign Subsidiary, whether now owned or hereafter acquired, wherever located, and any and all proceeds thereof, and the Mortgaged Property.

“Breakage Fee” - In the event that (i) any payment of a SOFR Loan is required, made or permitted on a date other than the last day of the then current Interest Period applicable thereto (including upon demand by Lender), (ii) the conversion of any SOFR Loan other than on the last day of the Interest Period applicable thereto, or (iii) the failure to convert, continue, borrow or prepay any SOFR Loan on the date specified in any notice delivered pursuant hereto, then, in any such event, an amount equal to any loss, cost and expense attributable to such event, including any loss, cost or expense arising from the liquidation or redeployment of funds. A certificate of a Lender delivered to the Borrower and setting forth any amount or amounts that the Lender is entitled to receive pursuant to this paragraph shall be conclusive absent manifest error.

“Business Day”- (a) For all purposes other than as set forth in clause (b) of this definition, any day excluding Saturday, Sunday and any day on which banks in New York City are authorized by law or other governmental action to close, and (b) with respect to a SOFR Loan, any day which is a Business Day described in clause (a) and which is also a U.S. Government Securities Business Day.

“Collateral Documents” - Collectively, the Security Instruments, Existing Security Agreements, any Guaranty and any financing statements filed to perfect the security interest granted under the Existing Security Agreements, as any may have been reaffirmed by the Reaffirmation.

“Consolidated EBITDA” - For any period, an amount equal to: (i) Consolidated Net Income, plus, in each case, to the extent deducted in determining Consolidated Net Income for such period, the sum of the amounts for such period, without duplication, of

- (A) Transaction Costs;
 - (B) Consolidated Interest Expense;
 - (C) provisions for taxes based on income;
 - (D) total depreciation expense;
 - (E) total amortization expense;
 - (F) other non-cash items reducing Consolidated Net Income;
-

(G) any reduction of Consolidated Net Income resulting from the fair valuation adjustment to inventory cost in connection with any Permitted Acquisition;

(H) any fees, charges or other expenses (including without limitation any awards or settlement payments), made in connection with any action, suit, proceeding or investigation that is outside the ordinary course of business, provided that the aggregate amount of all such fees, charges or other expenses added back under this subsection (H) shall not exceed \$10,000,000 in the aggregate over the term of this Agreement;

(I) any extraordinary, unusual or nonrecurring fees, charges, expenses or losses determined in good faith by the Borrower made or incurred by Telefonix in the 12 months prior to the closing date of the Telefonix Acquisition, in each case to the extent reasonably acceptable to Agent, provided that the aggregate amount of all such fees, charges or other expenses added back under this clause (I) shall not exceed \$2,000,000 for any period;

(J) any extraordinary, unusual or nonrecurring fees, charges, expenses or losses determined in good faith by the Borrower made or incurred by a Target prior to the closing date of a Permitted Acquisition;

(K) restructuring charges, net cost savings, business optimization expenses, operating expense reductions and other operating improvements or synergies determined in good faith by the Borrower to be reasonably expected to result from any Permitted Acquisition (which, for the avoidance of doubt, shall include but not be limited to retention, severance, systems establishment cost, contract termination costs and costs to open, close or consolidate facilities and relocate employees), or reserves for the foregoing made within 12 months of the date on which the applicable Permitted Acquisition is consummated, in each case to the extent reasonably acceptable to Agent, provided that such operating expense reductions and other operating improvements or synergies (1) are reasonably identifiable and factually supportable, and (2) no such amounts shall be added back to the extent paid from a reserve for such amounts added back to Consolidated EBITDA in a prior period;

(L) expenses incurred to the extent covered by indemnification or refunding provisions in any document governing any Permitted Acquisition to the extent reimbursed;

(M) any extraordinary, unusual or nonrecurring cash fees, charges, expenses or losses determined in good faith by the Borrower not added back to Consolidated EBITDA pursuant to another subsection of this definition, provided that the aggregate amount of all such cash fees, charges, expenses or losses added back pursuant to this subsection (M) shall not in any period exceed five percent (5%) of Consolidated EBITDA for such period (prior to giving effect to the add back pursuant to this subsection (M));

minus (ii) other non-cash items increasing Consolidated Net Income for such period;

provided, however (1) extraordinary gains, whether cash or non-cash, (2) earn-out adjustments in the purchase price for Permitted Acquisitions, (3) earn-outs in connection with Asset Sales consisting of the divestiture of a business entity or assets constituting a business line or division, and (4) gains in connection with any Asset Sale, in each case, shall not be included in the calculation of Consolidated EBITDA. Furthermore, grant funds or any other funds paid to the Borrower or its Subsidiaries as part of the Aviation Manufacturing Jobs Protection (AMJP) Program, or by any Governmental Authority as part of the American Rescue Plan, or in connection with any other relief, fiscal aid, subsidy or grant program operated by or created by a Governmental Authority, shall not be included in the calculation of Consolidated EBITDA; except that, notwithstanding the foregoing, up to \$14,700,000 of AMJP Program funds awarded to the Borrower prior to the Second Amendment Date may be included in the calculation of Consolidation of EBITDA. Notwithstanding anything to the contrary in this definition, for purposes of computing the Leverage Ratio hereunder, or in connection with any pro-forma

calculation required by this Agreement, the term “Consolidated EBITDA” shall be computed, on a consistent basis, to reflect purchases and acquisitions by Permitted Acquisition or otherwise, made by Borrower and the Subsidiaries during the relevant period, as if they occurred at the beginning of such period, and Borrower, during the twelve (12) month period following the date of any such Permitted Acquisition may include in the calculation hereof the necessary portion of the adjusted historical results of the entities acquired in acquisitions that were achieved prior to the applicable date of the acquisition for such time period as is necessary for Borrower to have figures on a Rolling Four-Quarter Basis from the date of determination with respect to such acquired entities.

“**Guarantor**” or “**Guarantors**” - Individually, each of ACCC, ACSCC, Armstrong, Astronics Advanced, DME, LSI, PECO, Astronics AeroSat and ATS, and collectively, all of them, and any other Subsidiary of Borrower which is required to deliver a Guaranty hereunder.

“**Interest Period**” - As to any Loan, the period commencing on the date of such Loan and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter, as specified in the applicable Request Certificate; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, (iii) no Interest Period shall extend beyond the Revolving Credit Maturity Date, and (iv) no tenor that has been removed from this definition pursuant to Section 2.23 shall be available for specification in such Request Certificate. For purposes hereof, the date of a Loan initially shall be the date on which such Loan is made and thereafter shall be the effective date of the most recent conversion or continuation of such Loan.

“**Maximum Limit**” - The maximum aggregate amount which the Borrower can borrow from time to time under the Revolving Credit, which on the Second Amendment Date is \$225,000,000.

“**Revolving Credit Maturity Date**” - May 30, 2023, which may be shortened in accordance with Section 7.2 of this Agreement.

“**Term SOFR**” - (a) For any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “Periodic Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and (b) for any calculation with respect to an ABR Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “ABR Term SOFR Determination Day”) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any ABR Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first

preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such ABR SOFR Determination Day.

“Threshold Amount” - As of any date, the greater of \$25,000,000 or 10% of Borrower’s Consolidated Net Tangible Assets as of the last fiscal quarter of the Borrower most recently ended, for which financial statements are available or required to be delivered under Section 5.2 of this Agreement. For the avoidance of doubt for purposes of Sections 6.1(g) and 6.3(c), any subsequent change in the Threshold Amount occurring after any Indebtedness was incurred or Investment was made will not result in a violation of this Agreement so long as such Indebtedness or Investment was permitted when incurred, made or taken, provided that during the Second Amendment Suspension Period, the term “Threshold Amount” as used in the definition of “Material Indebtedness”, Section 6.1 and 6.3(c) of the Agreement shall be \$5,000,000.

“Total Revolving Credit Commitment” - The sum of the Revolving Credit Commitments of the Lenders, as in effect from time to time. Commencing on the Second Amendment Date, the Total Revolving Credit Commitment is equal to \$225,000,000.

2.3 Article I entitled “**Definitions**” is further amended to add the following new definitions in the appropriate alphabetical order:

“Adjusted Term SOFR” shall mean, for purposes of any calculation, the rate per annum equal to (i) Term SOFR for such calculation plus (ii) the Term SOFR Adjustment; provided, that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then such rate shall be deemed to be equal to the Floor for purposes of this agreement.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an Interest Period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.23.

“Benchmark” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.23.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. Sec. 1010.230.

“Conforming Changes” - With respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or any similar or analogous definition, timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.23 and other technical, administrative or operational matters) that the Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of any such rate

exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; provided that if the Agent decides that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its reasonable discretion.

“Flood Insurance Laws” means (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et seq.), as the same may be amended or recodified from time to time, and (iv) the Flood Insurance Reform Act of 2004 and any regulations promulgated thereunder.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to SOFR. For the avoidance of doubt the initial Floor for Adjusted Term SOFR shall be 1.00%.

“Mortgaged Property” - means the real property listed on Schedule I.

“Security Instruments” shall mean the mortgages and deeds of trust listed on Exhibit F hereto, as amended or supplemented from time to time together with any mortgages or deeds of trust provided to the Agent after the date hereof as security for the Secured Obligations.

“Periodic Term SOFR Determination Day” has the meaning specified in the definition of “Term SOFR”.

“Second Amendment Date” - March 1, 2022.

“Second Amendment Suspension Period” - The period from the Second Amendment Date until September 30, 2022.

“SOFR Administrator” - The Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Lending Office” - With respect to any Lender, the office of such Lender specified as its “SOFR Lending Office” opposite its name on Schedule 2.1 hereto or in the Assignment and Assumption pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Agent.

“SOFR Loan” means any Loan on which interest is calculated based on Adjusted Term SOFR plus the Applicable Margin (other than pursuant to clause (iii) of the definition of “ABR”).

“Term SOFR Adjustment” - For any calculation with respect to a SOFR Loan or the SOFR prong of an ABR Loan, a percentage per annum as set forth below for the applicable Type of such Loan (if applicable) and Interest Period therefor:



FOR SOFR PRONG OF ABR LOANS:

ABR Loans:	0.10% (10 basis points)
------------	-------------------------

FOR SOFR LOANS:

<u>Interest Period</u>	<u>Percentage</u>
One Month	0.10% (10 basis points)
Three Month	0.15% (15 basis points)
Six Month	0.25% (25 basis points)

“**Term SOFR Administrator**” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its reasonable discretion).

“**Term SOFR Reference Rate**” – The forward-looking term rate based on SOFR.

“**U.S. Government Securities Business Day**” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

2.4 Each use of the term “**LIBOR Loan**” in the definitions of “**Loan**”, “**Revolving Loan**” and in Sections 2.1(b), 2.4(b), 2.6, 2.7, 2.9(a), 2.10, 2.11, 2.19, 2.20, 2.22 is hereby replaced with the term “**SOFR Loan**”

2.5 Each use of the term “**LIBOR Rate**” in the definition of “**Type**” and in Sections 2.6, 2.9(a), 2.10, 2.22 is hereby replaced with the term “**Adjusted Term SOFR Rate**”

2.6 Intentionally deleted.

2.7 The words “the Libor Rate Option or” are hereby deleted from Section 2.9(a)(2) of the Agreement.

2.8 A new Section 2.6(f) is added to the end of Section 2.6 as follows:

(f) As of the date of the Second Amendment Date, there may be one or more outstanding LIBOR Loans (the “Existing LIBOR Loans”) under the Agreement. Prior to being repaid or prepaid, the Existing LIBOR Loans shall bear interest, and interest shall be payable by Borrower, in accordance with the terms of the Agreement as existing prior to the Second Amendment Date, which terms shall be applicable solely to Existing LIBOR Loans, and shall cease to apply or have any further force and effect if there are no Existing LIBOR Loans outstanding. Notwithstanding anything to the contrary herein, from and after the Second Amendment Date, no further LIBOR Loans will be made under the Agreement and any outstanding LIBOR Loans will be converted to a SOFR Loan at the end of the applicable Interest Period.

2.9 Section 2.9(b) of the Agreement is hereby deleted in its entirety.

2.10 The following new Section 2.14(e) is added to the end of Section 2.14 as follows:

(e) If any payment to be made by the Borrower falls on a day that is not a Business Day, payment shall be made on the next succeeding Business Day, unless that Business Day falls in the next succeeding month, in which case the interest payment date will be the preceding Business Day.

2.11 Section 2.21 is hereby deleted in its entirety.

2.12 Section 2.23 is hereby renumbered and replaced in its entirety as follows:

“2.23 Effect of Benchmark Transition Event.”

(a) **Benchmark Replacement.** (i) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(ii) No Hedge Agreement shall be deemed to be a “Loan Document” for purposes of this Section 2.23.

(b) **Benchmark Replacement Conforming Changes.** In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) **Notices; Standards for Decisions and Determinations.** The Agent will promptly notify the Borrower and the Lenders of (i) the occurrence of a Benchmark Transition Event or implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.23(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent pursuant to this Section 2.23(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.23(c).

(d) **Unavailability of Tenor Benchmark.** Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen

or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) **Benchmark Unavailability Period.** Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a SOFR Loan of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Loan of or conversion to ABR Loans. During a Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

(f) **Rates.** The interest rate on a Loan denominated in Dollars may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event, Section 2.23 provides a mechanism for determining an alternative rate of interest. The Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to ABR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, ABR, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Agent and its affiliates or other related entities may engage in transactions that affect the calculation of ABR, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Agent may select information sources or services in its reasonable discretion to ascertain ABR, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark including any component thereof, or rates referenced in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

2.13 The following new Section 4.25 is added at the end of Article IV:

4.25 Flood Zone. None of the Improvements are located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards, or, if any portion of the Improvements is located within such area, the Borrower has obtained the insurance prescribed herein. For the purposes of this paragraph, "Improvements" means all improvements located on the Mortgaged Property, together with all fixtures, tenant improvements and appurtenances now or later to be located on the Mortgaged Property and/or in such improvements.

2.14 Section 5.2 of the Agreement entitled “Financial Reporting Requirements” is amended so that in clause (f) thereof is deleted and replaced with the following:

“(f) monthly, within fifteen (15) days after the end of each month, a certificate of the Borrower certifying to compliance with the liquidity covenant set forth in Section 6.15 of this Agreement;”

2.15 The following new sentences are added at the end of Section 5.20 as set forth below:

“If at any time the Agent determines, based on applicable law, that all applicable taxes (including, without limitation, mortgage recording taxes or similar charges) were not paid in connection with the recordation of any mortgage or deed of trust, the Borrower shall promptly pay the same upon demand. Promptly following any request therefor, the Borrower shall provide information and documentation reasonably requested by the Agent or any Lender for purpose of compliance with applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act and the Beneficial Ownership Regulation.”

2.16 The following new Section 5.21 is added at the end of Article V:

“5.21 Flood Zone. With respect to the Mortgaged Property that is located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a “special flood hazard area” with respect to which flood insurance has been made available under Flood Insurance Laws, the Borrower shall or shall cause the applicable Loan Party to (A) obtain and maintain, with financially sound and reputable insurance companies, such flood insurance in such reasonable total amount as the Agent may from time to time reasonably require, and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (B) promptly upon request of the Agent, deliver to the Agent evidence of such compliance in form and substance reasonably acceptable to the Agent, including, without limitation, evidence of annual renewals of such insurance; and further, any extension of the Revolving Credit Maturity Date or increase of any of the total Commitments or Loans (including any increase under Section 2.21, but excluding (i) any continuation or conversion, (ii) the making of any Revolving Loans or Swingline Loans or (iii) the issuance, renewal or extension of Letters of Credit) shall be subject to (and conditioned upon): the prior delivery of all flood hazard determination certifications, acknowledgements and evidence of flood insurance and other flood-related documentation with respect to such Mortgaged Properties as required by Flood Insurance Laws and as otherwise reasonably required by the Agent.

2.17 Section 6.1 of the Agreement entitled “**Indebtedness**” is deleted in its entirety and replaced with the following:

“6.1 Indebtedness. Neither the Borrower nor any Subsidiary will create, incur, assume or suffer to exist any Indebtedness except (a) to the Agent and the Lenders, (b) as set forth on Schedule 6.2 attached hereto, (c) Indebtedness owed by a Subsidiary to the Borrower or to another Subsidiary or by the Borrower to a Subsidiary (which, with respect to Indebtedness not existing on the First Amendment Date owing to the Borrower or a Guarantor from Subsidiaries that are not Guarantors, from the First Amendment Date to the date of delivery of a Compliance Certificate showing compliance with Section 6.13 for the fiscal quarter ending September 30, 2022, shall not exceed \$5,000,000 at any one time outstanding), in each case made in the ordinary course of business including, without limitation, in connection with a Permitted Acquisition, (d) Indebtedness incurred for Capital Leases of fixed assets or fixed asset purchases, provided that after taking into effect such Indebtedness, (i) the Borrower is in compliance with Section 6.13 on a pro-forma basis or (ii) from the First Amendment Date through September 30, 2022, new Indebtedness incurred during such period shall not exceed \$2,000,000 at any one time outstanding, (e) Subordinated Indebtedness or Indebtedness under Unsecured Notes with maturity dates after the Revolving Credit Maturity Date including guaranties thereof, provided that after taking into effect such Indebtedness, the Borrower is in compliance with the Leverage Ratio on a pro-forma basis and the Borrower delivers to the Agent a certificate signed by the Executive Vice

President-Finance or Treasurer of the Borrower certifying (i) the stated maturity date of such Indebtedness, (ii) that no Default or Event of Default is then in existence or would be caused by the issuance of such Subordinated Indebtedness or Unsecured Notes and (iii) the Borrower is in compliance with the Leverage Ratio both immediately before and after giving pro-forma effect to the incurrence of such Indebtedness, (f) Indebtedness incurred under Hedge Agreements entered into for the purposes of mitigating interest rate or foreign currency risk, (g) any other Indebtedness which does not cause the then outstanding amount of the Indebtedness of the Borrower and its Subsidiaries incurred pursuant to this clause (g), after giving pro-forma effect to such incurrence, to exceed the Threshold Amount, determined as of the date of such incurrence and (h) Indebtedness incurred in connection with a Regulatory Debt Facility; provided that Borrower or any Subsidiary may exchange, refinance or refund any such Indebtedness described in clause (b) or (g) hereof if the aggregate principal amount thereof (or Capital Lease Obligation in the case of a Capital Lease or present value, based on the implicit rate, in the case of a Synthetic Lease) is not increased (other than in connection with the capitalization of interest.”

2.18 Section 6.4 of the Agreement, entitled “**Equity Interest Repurchases and Dividends**” is deleted in its entirety and replaced with the following:

“**6.4 Equity Interest Repurchases and Dividends.** Neither the Borrower nor any Subsidiary will, directly or indirectly make any repurchase or repurchases of Equity Interests in the Borrower or any Subsidiary or pay any dividend, except for:

- (a) the repurchase by a Subsidiary of Equity Interests owned by the Borrower or another Subsidiary;
- (b) the payment of a dividend by a Subsidiary to the Borrower or to another Subsidiary;
- (c) dividends paid in Equity Interests, provided that no such dividends may be paid during the Second Amendment Suspension Period; and
- (d) any other repurchases made or dividends paid, provided that:
 - (i) promptly following the approval of any stock repurchase program or any cash dividend by the Board of Directors of the Borrower, the Borrower shall have provided written notice to the Agent of such approval with a description of the stock repurchase program or dividend;
 - (ii) after giving effect to such repurchases or the payment of such dividends pursuant to clause (d), the Borrower is in compliance with the Leverage Ratio on a pro-forma basis and has at least \$10,000,000 of unused availability under the Revolving Credit and no Default or Event of Default is then in existence; and
 - (iii) no such repurchase shall be made or dividends paid pursuant to this subsection (d) prior to the delivery of a Compliance Certificate demonstrating compliance with Section 6.13 for the fiscal quarter ending September 30, 2022.”

2.19 Section 6.7 of the Agreement entitled “**Consolidation, Merger, Acquisitions, Asset Sales, etc.**” is amended so that the proviso at the end of subsection (c) is deleted and replaced with the following:

“provided however no such Permitted Acquisition shall be made prior to the delivery of a Compliance Certificate demonstrating compliance with Section 6.13 for the fiscal quarter ending September 30, 2022.”

2.20 Section 6.13 of the Agreement entitled “**Maximum Leverage Ratio**” is deleted and replaced with the following:

“6.13 Maximum Leverage Ratio. The Borrower will not permit, as of the end of any fiscal quarter set forth below, the Leverage Ratio to exceed the ratio set forth below:

Quarter Ending:	Ratio:
March 31, 2018 - December 31, 2019	3.75x
March 31, 2020 - June 30, 2021	Suspended
September 30, 2021	6.00x
December 30, 2021	5.50x
March 31, 2022	4.75x
June 30, 2022	4.75x
September 30, 2022 and thereafter	3.75x

provided, however, commencing September 30, 2022, if no Default or Event of Default exists, the Borrower may, upon the occurrence of a Material Acquisition, elect to increase the Maximum Leverage Ratio for the Post-Acquisition Fiscal Quarter End Dates (as hereafter defined), provided that the Leverage Ratio may not exceed 4.5 to 1.0, and that the Borrower may not exercise this right more than three (3) times after the Closing Date. “Material Acquisition” means one (1) or more Permitted Acquisitions in a four (4) fiscal quarter period for, in the aggregate, consideration in excess of \$40,000,000. “Post-Acquisition Fiscal Quarter End Dates” means the end of the fiscal quarter in which the Borrower elects to exercise the increased Maximum Leverage Ratio in accordance with this Section 6.13 and the end of the next three (3) fiscal quarters, unless the Borrower elects to exercise the increased Maximum Leverage Ratio within the last 45 days of any fiscal quarter, then “Post-Acquisition Fiscal Quarter Ends” means the end of such fiscal quarter in which the Borrower elects to exercise the increased Maximum Leverage Ratio, and the end of the immediately following four (4) fiscal quarters.”

2.21 Section 6.15 of the Agreement, entitled “**Minimum Liquidity**” is deleted in its entirety and replaced with the following:

“6.15 Minimum Liquidity. The Borrower will not permit Liquidity to be less than \$35,000,000, tested as of the last day of each month.”

2.22 A new Section 9.24 is added at the end of Article 9 as follows:

“9.24 Erroneous Payment. (a) If the Agent (x) notifies a Lender or Issuing Bank or any Person who has received funds on behalf of a Lender or Issuing Bank (any such Lender, Issuing Bank or other recipient (and each of their respective successors and assigns), a “**Payment Recipient**”) that the Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Agent) received by such Payment Recipient from the Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Bank or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent pending its return or repayment as contemplated below in this Section 9.24 and held in trust for the benefit of the Agent, and such Lender or Issuing Bank shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Agent may, in its sole discretion, specify in writing), return to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in

writing by the Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender or Issuing Bank or any Person who has received funds on behalf of a Lender or Issuing Bank (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender or Issuing Bank or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or Issuing Bank shall use commercially reasonable efforts to (and shall use commercially reasonable efforts to cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 9.24(b).

For the avoidance of doubt, the failure to deliver a notice to the Agent pursuant to this Section 9.24(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 9.24(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender and Issuing Bank hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender or Issuing Bank under any Loan Document, or otherwise payable or distributable by the Agent to such Lender or Issuing Bank under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Agent has demanded to be returned under immediately preceding clause (a).

(d)(i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor in accordance with preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "**Erroneous Payment Return Deficiency**"), upon the Agent's notice to such Lender at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made (the "**Erroneous Payment Impacted Class**") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "**Erroneous Payment Deficiency Assignment**") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes evidencing such Loans to the Borrower or the Agent (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Agent as the assignee Lender shall be deemed to have acquired the

Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitment which shall survive as to such assigning Lender, (D) the Agent and the Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Agent will reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitment of any Lender and such Commitment shall remain available in accordance with the terms of this Agreement.

(ii) Subject to Section 10.13 (but excluding, in all events, any assignment consent or approval requirements (whether from the Borrower or otherwise)), the Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Agent) and (y) may, in the sole discretion of the Agent, be reduced by any amount specified by the Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Issuing Bank, to the rights and interests of such Lender or Issuing Bank, as the case may be) under the Loan Documents with respect to such amount (the "**Erroneous Payment Subrogation Rights**") (*provided* that the Debtor's Indebtedness under the Loan Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Indebtedness in respect of Loans that have been assigned to the Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Indebtedness owed by the Debtor; *provided* that this Section 9.24 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Indebtedness of the Debtor relative to the amount (and/or timing for payment) of the Indebtedness that would have been payable had such Erroneous Payment not been made by the Agent; *provided, further*, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent from the Debtor for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this Section 9.24 shall survive the resignation or replacement of the Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Indebtedness (or any portion thereof) under any Loan Document.

2.23 A new Section 9.25 is added at the end of Article 9 as follows:

“9.25 Flood Insurance. Agent hereby notifies each Lender that pursuant to applicable Flood Insurance Laws, each federally regulated Lender (whether acting as a lender or a participant in a credit) is responsible for assuring its own compliance with flood insurance requirements. The Agent will coordinate with the Borrower to deliver to the applicable Lender any additional information reasonably required for such Lender’s flood due diligence.

2.24 A new Schedule I (Mortgaged Property) is attached hereto.

2.25 Schedules 2.1 is deleted and replaced in its entirety by new Schedule 2.1 attached hereto.

2.26 The form of Compliance Certificate attached to the Agreement as Exhibit C is deleted and replaced with the form of Compliance Certificate attached as Exhibit A to this Amendment.

2.27 The form of Request Certificate attached to the Agreement as Exhibit D is deleted and replaced with the form of Request Certificate attached as Exhibit B to this Amendment.

3. Reaffirmations.

3.1 The Borrower hereby acknowledges and reaffirms the execution and delivery of its Second Amended and Restated General Security Agreement dated as of July 18, 2013 and as supplemented prior to the date hereof (collectively, the “Borrower Security Agreement”), and agrees that the Borrower Security Agreement shall continue in full force and effect and continue to secure the “Obligations” as defined therein, including all indebtedness to the Agent, the Lenders and the Issuing Bank arising under or in connection with the Agreement, as amended hereby, and any renewal, extension or modification thereof, and the documents executed in connection therewith. The Borrower further acknowledges and reaffirms the authorization of any financing statements filed against the Borrower in connection with the Borrower Security Agreement and acknowledges, reaffirms, ratifies and agrees that the filing of such financing statement or financing statements shall continue in full force and effect and continue to perfect the Agent’s security interest in any and all collateral described therein granted to the Agent, for the benefit of the Agent and the Lenders, by the Borrower under the Borrower Security Agreement or otherwise.

3.2 Each of the Guarantors hereby acknowledges and reaffirms the execution and delivery of its respective Guaranty (collectively, the “Guaranty”) and its respective Security Agreement (collectively, the “Guarantor Security Agreement”), and agrees that such Guaranty and the Guarantor Security Agreement shall continue in full force and effect and continue to guarantee or secure, as applicable, all “Obligations” as defined therein, including all indebtedness of the Borrower to the Agent, the Lenders and the Issuing Bank arising under or in connection with the Agreement, as amended hereby, and any renewal, extension or modification thereof, and the documents executed in connection therewith. Each Guarantor further acknowledges and reaffirms the authorization of any financing statements filed against such Guarantor in connection with the Guarantor Security Agreement and acknowledges, reaffirms, ratifies and agrees that the filing of such financing statement or financing statements shall continue in full force and effect and continue to perfect the Agent’s security interest in any and all collateral described therein granted to the Agent by such Guarantor under the General Security Agreement or otherwise.

4. Reference to and Effect on Loan Documents.

(a) Upon the effectiveness hereof, each reference in the Agreement to “this Agreement,” “hereunder,” “hereof,” “herein,” or words of like import, and each reference in the Loan Documents to the Agreement shall mean and be a reference to the Agreement as amended by this Amendment.

(b) The Agreement, as amended by this Amendment, represents the entire understanding and agreement between the parties hereto with respect to the subject matter hereof. This Amendment supersedes all prior negotiations and any course of dealing between the parties with respect to the subject matter hereof. This Amendment shall be binding upon each Borrower and its successors and assigns, and shall inure to the benefit of, and be enforceable by, the Agent, the Lenders and each of their successors and assigns. The Agreement, as amended hereby, is in full force and effect and, as so amended, is hereby ratified and reaffirmed in its entirety. Each Borrower acknowledges and agrees that the Agreement (as amended by this Amendment) and all other Loan Documents to which such Borrower is a party are in full force and effect, that such Borrower’s obligations thereunder and under this Amendment are its legal, valid and binding obligations, enforceable against it in accordance with the terms thereof and hereof, and that such Borrower has no defense, whether legal or equitable, setoff or counterclaim to the payment and performance of such obligations.

(c) Except as expressly and specifically set forth herein, the terms, provisions and conditions of the Agreement shall remain in full force and effect and unchanged by the terms of this Amendment. Except as specifically set forth in this Amendment, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agent or the Lenders under the Agreement, nor constitute a waiver of any provision of the Agreement.

5. Post-Closing Obligations. Attached hereto as Exhibit C is a description of certain items to be completed by the Borrower after the date hereof. Borrower hereby covenants and agrees to complete such items within the time frames set forth in Exhibit C or such later date as may be agreed to in writing by the Agent and to provide Agent with evidence reasonably satisfactory to Agent that such items have been completed promptly following completion of each such item.

6. Other.

6.1 This Amendment may be executed in any number of counterparts, and by the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same agreement. This Amendment, to the extent signed and delivered by means of a facsimile machine or e-mail scanned image, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or e-mail scanned image to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or by e-mail as a defense to the formation of a contract and each party forever waives such defense.

6.2 This Amendment shall be governed by and construed under the internal laws of the State of New York, as the same may be in effect from time to time, without regard to principles of conflicts of law.

6.3 Borrower shall take such other and further acts, and deliver to the Agent and the Lenders such other and further documents and agreements, as the Agent shall reasonably request in connection with the transactions contemplated hereby.

6.4 The Borrower agrees to pay on demand by Agent all expenses of Agent, including without limitation, fees and disbursements of counsel for Agent, in connection with the transactions contemplated by this Amendment, the negotiations for and preparation of this Amendment and any other documents related hereto, and the enforcement of the rights of Agent's and Lenders under the Loan Agreement as amended by this Amendment.

6.5 To induce Lenders to enter into this Amendment, Borrower and Guarantors each waives and releases and forever discharges Agent and each Lender and their respective officers, directors, attorneys, agents and employees from any defenses, liability, damage, claim, loss or expense of any kind that any of them may have against Agent and each Lender arising out of or relating to the Loan Documents. Borrower and Guarantors, jointly and severally, further agree to indemnify and hold Agent and each Lender and their respective officers, directors, attorneys, agents and employees harmless from any loss, damage, judgment, liability or expense (including attorneys' fees) suffered by or rendered against Agent or any Lender on account of any claims arising out of or relating to the Loan Documents. Borrower and Guarantors each further state that it has carefully read the foregoing release and indemnity, knows the contents thereof and grants the same as its own free act and deed.

[Signature Page Follows]

The parties hereto have caused this Amendment to be duly executed as of the date shown at the beginning of this Amendment.

ASTRONICS CORPORATION

**By: /s/ David C. Burney
David C. Burney
Vice President - Finance**

Consented to, and Agreed, as of the date of this Amendment by the following Guarantors:

**ASTRONICS ADVANCED ELECTRONIC
SYSTEMS CORP.
ASTRONICS CONNECTIVITY SYSTEMS &
CERTIFICATION CORP.
ASTRONICS CUSTOM CONTROL CONCEPTS INC.
ARMSTRONG AEROSPACE, INC.
LUMINESCENT SYSTEMS, INC.
ASTRONICS DME LLC
ASTRONICS AEROSAT CORPORATION
PECO, INC.
ASTRONICS TEST SYSTEMS INC.**

**By: /s/ David C. Burney
David C. Burney, Treasurer**

[Signature Page to Astronics Amendment No. 2]

**HSBC BANK USA, NATIONAL ASSOCIATION
as Agent**

**By: /s/ Anita Ram
Name: Anita Ram
Title: Vice President**

[Signature Page to Astronics Amendment No. 2]

**HSBC BANK USA, NATIONAL ASSOCIATION
as a Lender, Swingline Lender and Issuing Bank**

**By: /s/ Shaun R. Kleinman
Name: Shaun R. Kleinman
Title: Senior Vice President**

[Signature Page to Astronics Amendment No. 2]

BANK OF AMERICA, N.A., as a Lender

By: /s/ Kelly Werbecki
Name: Kelly Werbecki
Title: Senior Vice President

[Signature Page to Astronics Amendment No. 2]

MANUFACTURERS AND TRADERS TRUST COMPANY, as a Lender

By: /s/Deborah Urtz-Gleeson
Name: Deborah Urtz-Gleeson
Title: Vice President

[Signature Page to Astronics Amendment No. 2]

TRUIST BANK, as a Lender
By: /s/ Juan De Jesus-Caballero
Name: Juan De Jesus-Caballero
Title: Senior Vice President

[Signature Page to Astronics Amendment No. 2]

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Nancy Kallianas
Name: Nancy Kallianas
Title: SVP

[Signature Page to Astronics Amendment No. 2]



NEWS RELEASE

Astronics Corporation • 130 Commerce Way • East Aurora, NY • 14052-2164

For more information, contact:

Company:

David C. Burney, Chief Financial Officer

Phone: (716) 805-1599, ext. 159

Email: david.burney@astronics.com

Investor Relations:

Deborah K. Pawlowski, Kei Advisors LLC

Phone: (716) 843-3908

Email: dpawlowski@keiadvisors.com

FOR IMMEDIATE RELEASE

Astronics Corporation Reports 2021 Fourth Quarter and Full Year Financial Results

- ***Fourth quarter sales of \$116.1 million; full year sales of \$444.9 million***
- ***Fourth quarter bookings increased 53% over prior-year period to \$177.3 million; full year bookings were up 35% to \$577.2 million***
- ***Achieved record backlog at year-end of \$415.7 million***
- ***Fourth quarter pre-tax loss of \$0.2 million and net income of \$1.6 million***
- ***Initial 2022 revenue guidance is \$550 million to \$600 million***

EAST AURORA, NY, March 2, 2022 – Astronics Corporation (Nasdaq: ATRO) (“Astronics” or the “Company”), a leading supplier of advanced technologies and products to the global aerospace, defense and other mission critical industries, today reported financial results for the three and twelve months ended December 31, 2021.

Peter J. Gundermann, President and Chief Executive Officer, commented, “We achieved sales of \$116 million in the fourth quarter, which was within our expected range despite continuing supply chain struggles and labor shortages. There were a number of puts and takes in the quarter that impacted results, but we believe that the most significant takeaway was the continued growth in demand from our markets. Bookings jumped to 153% of sales for the quarter, resulting in a year-end backlog of \$416 million, an all-time high for Astronics.”

-MORE-

Fourth Quarter Results

(\$ in thousands)	Three Months Ended			Year Ended		
	December 31, 2021	December 31, 2020	% Change	December 31, 2021	December 31, 2020	% Change
Sales	\$ 116,052	\$ 114,803	1.1%	\$ 444,908	\$ 502,587	(11.5)%
Loss from Operations	\$ (8,744)	\$ (5,469)	59.9%	\$ (28,674)	\$ (100,701)	(71.5)%
Operating Margin %	(7.5)%	(4.8)%		(6.4)%	(20.0)%	
Net Gain on Sale of Businesses	\$ 10,677	\$ —		\$ 10,677	\$ —	
Net Income (Loss)	\$ 1,604	\$ (19,985)	(108.0)%	\$ (25,578)	\$ (115,781)	(77.9)%
Net Income (Loss) %	1.4%	(17.4)%		(5.7)%	(23.0)%	
*Adjusted EBITDA	\$ (804)	\$ 2,897	(127.8)%	\$ 1,898	\$ 28,762	(93.4)%
*Adjusted EBITDA Margin %	(0.7)%	2.5%		0.4%	5.7%	

*Adjusted EBITDA is a Non-GAAP Performance Measure. Please see the attached table for a reconciliation of Adjusted EBITDA to GAAP net income

Fourth Quarter 2021 Results (compared with the prior-year period, unless noted otherwise)

Consolidated sales were up \$1.2 million, driven by Aerospace sales which increased by \$7.0 million and more than offset the decline in Test System sales of \$5.8 million. Total sales and volume continued to reflect the ongoing impacts of the COVID-19 pandemic on the global aerospace industry. Supply chain pressures impacted delivery schedules and costs, limiting the Company's ability to respond to accelerated or quick-turn delivery requests from customers and delaying shipments that otherwise would have been made during the quarter. The Company estimates that it had backlog at the end of the year of \$15 million to \$17 million that would have shipped if its supply chain was functioning normally.

Impacts to margins and operating profit included the following:

- The Company was awarded a grant of up to \$14.7 million as part of the Aviation Manufacturing Jobs Protection ("AMJP") Program. The grant is being recognized ratably over the six-month period of performance. In the fourth quarter of 2021, \$7.6 million was recognized as an offset to cost of products sold. Astronics had recognized \$1.1 million of the grant in the third quarter, or \$8.7 million for the year, and expects to recognize the remaining \$6.0 million of the grant in the first quarter of 2022.
- On October 6, 2021, as part of a planned consolidation effort, the Company sold one of its Aerospace facilities for \$9.1 million. Net cash proceeds were approximately \$8.8 million. A gain on sale of approximately \$5.0 million was recorded during the fourth quarter of 2021.
- The Company reinstated contributions to its 401K plans in the fourth quarter of 2021, which added \$4.3 million of expense in the quarter. The fourth quarter contribution approximates a typical annual contribution. Astronics expects that approximately \$4.2 million will be funded with treasury stock in the first quarter of 2022.
- The fourth quarter of 2021 was negatively affected by \$2.2 million higher warranty expenses.
- In late December, the Company reached an agreement with the buyer of its former semiconductor test business, which was sold in 2019, related to earnout payments. For its earnout payment related to performance in calendar 2020, the Company agreed to an

-MORE-

earnout amount of \$10.7 million, which was recorded in the fourth quarter of 2021 and was paid to the Company in early January. On February 14, 2022, the Company was notified by the purchaser that they have calculated \$11.2 million as being payable for the calendar 2021 earnout. The Company is in the process of reviewing the calculation and expects to record the additional gain on the sale, and receive the payment, in the first quarter of 2022.

- In January 2022, the Company was notified of an adverse ruling in its long-running intellectual property dispute with Lufthansa Technik, which has been in litigation since 2010 in the United States, France, Germany and the United Kingdom. Most recently, the U.K. Court has ruled that the subject Lufthansa Technik patent is valid and that the Company had infringed the expired patent. Based on the information currently available, the Company accrued \$8.4 million relating to the U.K. matter in the fourth quarter, although the actual amount of damages will not be known until a damages trial is completed, which is expected to occur sometime in 2023.

Consolidated operating loss was \$8.7 million, compared with \$5.5 million in the prior-year period.

Consolidated net income was \$1.6 million, or \$0.05 per diluted share, compared with net loss of \$20.0 million, or \$0.65 per diluted share, in the prior year.

Consolidated adjusted EBITDA was \$(0.8) million, or (0.7)% of consolidated sales, compared with adjusted EBITDA of \$2.9 million, or 2.5% of consolidated sales, in the prior-year period.

Bookings were \$177.3 million, for a book-to-bill ratio of 1.53:1. Bookings were up 15.5% sequentially and up 52.9% from the prior year's comparator quarter. Backlog at the end of the quarter was \$415.7 million, which was a record for the Company. Approximately \$340 million of backlog is expected to ship in 2022.

Aerospace Segment Review *(refer to sales by market and segment data in accompanying tables)*

Aerospace Fourth Quarter 2021 Results (compared with the prior-year period, unless noted otherwise)

Aerospace segment sales increased \$7.0 million, or 7.7%, to \$98.8 million in the fourth quarter. Commercial aerospace sales, which were up 21.1%, or \$10.2 million, drove the improvement. Sales to this market were \$58.4 million, or 50.4% of consolidated sales in the quarter, compared with \$48.2 million, or 42.0% of consolidated sales in the fourth quarter of 2020. Improving domestic travel, increased narrow body production rates including the 737 MAX and higher fleet utilization drove increased demand for Astronics' products.

General Aviation sales were up \$0.4 million, or 2.4%, to \$15.5 million as higher demand in the business jet market offset lower VVIP activity. The Company expects the strong demand being realized in the business jet industry to translate into higher demand for its products as production levels begin to increase in 2022.

Military Aircraft sales decreased \$2.2 million, or 12.2%, to \$15.5 million. The prior-year period benefited from incremental non-recurring engineering revenue associated with development of new programs.

Other revenue decreased \$1.4 million to \$9.4 million driven by lower contract manufacturing programs.

Aerospace segment operating loss for the fourth quarter of 2021 was \$2.3 million compared with operating loss of \$3.3 million in the same period of 2020. The fourth quarter benefited from \$7.6 million related to the AMJP grant and a \$5.0 million gain related to the sale of a facility. The fourth quarter was negatively impacted by accruals related to the Lufthansa dispute mentioned above, 401K contributions of \$3.5 million that were reinstated in the fourth quarter and increased warranty charges of \$1.9 million.

Aerospace segment bookings in the fourth quarter of 2021 improved sequentially to \$147.7 million, for a book-to-bill ratio of 1.49:1, and were up almost 100% from the prior year's comparator quarter. Backlog

-MORE-

was \$334.7 million at the end of the fourth quarter of 2021 compared with backlog of \$191.1 million at the end of the fourth quarter of 2020.

Mr. Gundermann commented, "Recovery is evident in our commercial aerospace business. The pandemic's infection rates are dropping and so are travel restrictions around the world, leading to increased demand for airline travel. In the second half of 2021, our Aerospace book-to-bill ratio was 1.49, suggesting a strong acceleration of business in the coming months. This increased demand will drive improved results for Astronics in 2022 and beyond."

Test Systems Segment Review *(refer to sales by market and segment data in accompanying tables)*

Test Systems Fourth Quarter Results

Test Systems segment sales in the fourth quarter were \$17.2 million, down \$5.8 million compared with the prior-year period driven by lower defense and transit revenue caused by COVID-related delays.

Test Systems segment operating loss was \$1.8 million, or 10.5% of sales, down from operating income of \$1.3 million, or 5.6% of sales, in last year's fourth quarter. Operating loss in the fourth quarter of 2021 included \$0.7 million of expense associated with the reinstated 401K contributions.

As discussed above, the Company recorded a gain of \$10.7 million in the fourth quarter of 2021 associated with the 2020 earnout for the semiconductor test business. The Company expects to record a gain for the 2021 earnout of approximately \$11.2 million in the first quarter of 2022. The Company is eligible for a final earnout based on 2022 sales, which will be due in early 2023.

Bookings for the Test Systems segment in the quarter were \$29.7 million, for a book-to-bill ratio of 1.72:1 for the quarter. Backlog was \$81.0 million at the end of 2021 compared with backlog of \$92.3 million at the end of 2020.

Liquidity and Financing

Cash used by operations totaled \$5.5 million in 2021. Cash on hand was \$29.8 million and net debt was \$133.2 million at the end of the quarter. During the fourth quarter, the Company received net cash proceeds of \$8.8 million related to a facility sale and \$2.0 million in tax refunds. The Company expects to receive an additional \$36 million in early 2022, which includes approximately \$22 million in earnout from the sale of its semiconductor business (of which \$10.7 million has already been received), \$9 million in tax refunds and an additional \$5 million related to the AMJP. In addition, the Company expects to receive the final \$2 million installment from the AMJP later in 2022.

On March 1, 2022, the Company entered into an amended and extended revolving credit facility with its bank group. The purpose of the amendment was to extend the scheduled expiration of the agreement from February 16, 2023 to May 30, 2023. The Company was in compliance with its financial covenants as of December 31, 2021. Because the original expiration date of the debt facility was within 12 months of the filing date of the Company's audited financial statements on Form 10-K, if not extended, the timing would likely have resulted in a "going concern" audit opinion. The extension also provides for more time to demonstrate economic recovery from the severe downturn in the Aerospace industry before executing a new longer-term financing agreement.

Select key modifications to the amended agreement include:

- A \$225,000 amendment fee;
- Reduction of the revolver from \$375 million to \$225 million;
- A revised definition of adjusted EBITDA which excludes income from earnout payments and asset sales;

-MORE-

- An increase in the maximum leverage ratio to 4.75 times adjusted EBITDA through the second quarter of 2022, reverting to 3.75 times adjusted EBITDA thereafter;
- A revised pricing grid based on SOFR. The top drawn leverage, above 4.00 times adjusted EBITDA, is priced at SOFR (with a floor of 100 basis points) +325 basis points;
- A top undrawn fee priced at SOFR (with a floor of 100 basis points) + 40 basis points;
- A first general lien on all real estate.

Based on Astronics' financial projections, the Company expects to be compliant with its financial covenants for the duration of the agreement.

Astronics intends to replace the amended agreement with a new long-term financing facility in the coming months.

2022 Outlook

Mr. Gundermann commented, "We entered 2022 with an all-time record backlog of \$416 million, with \$340 million scheduled to ship during the year. We are well positioned to deliver growth, as we believe it will be a year of significant recovery. We are establishing initial revenue guidance in the range of \$550 million to \$600 million for the year, which includes what we consider reasonable allowances for continued supply chain and labor disruptions. We expect the first quarter to show a modest volume increase over the fourth quarter, with a stronger ramp in the latter half of the year. Our current view is that approximately 40% of the year's revenue will come in the first half, and about 60% will be in the second half. Supply chain problems and the tight labor market are risk items, but we expect to build momentum as we move through 2022 with continued recovery into 2023."

Capital expenditures for 2022 are expected to be approximately \$15 million to \$20 million.

Fourth Quarter 2021 Webcast and Conference Call

The Company will host a teleconference today at 11:00 a.m. ET. During the teleconference, management will review the financial and operating results for the period and discuss Astronics' corporate strategy and outlook. A question-and-answer session will follow.

The Astronics conference call can be accessed by calling 201.493.6784. The listen-only audio webcast can be monitored at www.astronics.com. To listen to the archived call, dial 412.317.6671 and enter replay pin number 13726346. The telephonic replay will be available from 2:00 p.m. on the day of the call through Wednesday, March 9, 2022. A transcript of the call will also be posted to the Company's Web site once available.

About Astronics Corporation

Astronics Corporation (Nasdaq: ATRO) serves the world's aerospace, defense, and other mission critical industries with proven, innovative technology solutions. Astronics works side-by-side with customers, integrating its array of power, connectivity, lighting, structures, interiors, and test technologies to solve complex challenges. For over 50 years, Astronics has delivered creative, customer-focused solutions with exceptional responsiveness. Today, global airframe manufacturers, airlines, military branches, completion centers, and Fortune 500 companies rely on the collaborative spirit and innovation of Astronics. The Company's strategy is to increase its value by developing technologies and capabilities that provide innovative solutions to its targeted markets.

Safe Harbor Statement

This news release contains forward-looking statements as defined by the Securities Exchange Act of 1934. One can identify these forward-looking statements by the use of the words "expect," "anticipate," "plan," "may," "will," "estimate" or other similar expressions and include all statements with regard to the

-MORE-

impact of COVID-19 on the Company and its future, reaching any revenue or Adjusted EBITDA margin expectations, being in compliance with credit agreement covenants, the recovery of the commercial aerospace and test systems markets, the opportunities to leverage capabilities in other markets and the expectations of demand by customers and markets. Because such statements apply to future events, they are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by the statements. Important factors that could cause actual results to differ materially from what may be stated here include the impact of the global outbreak of COVID-19 and governmental and other actions taken in response, trend in growth with passenger power and connectivity on airplanes, the state of the aerospace and defense industries, the market acceptance of newly developed products, internal production capabilities, the timing of orders received, the status of customer certification processes and delivery schedules, the demand for and market acceptance of new or existing aircraft which contain the Company's products, the need for new and advanced test and simulation equipment, customer preferences and relationships, and other factors which are described in filings by Astronics with the Securities and Exchange Commission. The Company assumes no obligation to update forward-looking information in this news release whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.

FINANCIAL TABLES FOLLOW

-MORE-

ASTRONICS CORPORATION
CONSOLIDATED INCOME STATEMENT DATA
 (Unaudited, \$ in thousands except per share data)

	Three Months Ended		Year Ended	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Sales	\$ 116,052	\$ 114,803	\$ 444,908	\$ 502,587
Cost of products sold ¹	97,588	95,685	379,545	405,744
Gross profit	18,464	19,118	65,363	96,843
Gross margin	15.9 %	16.7 %	14.7 %	19.3 %
Selling, general and administrative	32,222	24,587	99,051	110,528
SG&A % of sales	27.8 %	21.4 %	22.3 %	22.0 %
Net gain on sale of facility	5,014	—	5,014	—
Impairment loss ²	—	—	—	87,016
Loss from operations	(8,744)	(5,469)	(28,674)	(100,701)
Operating margin	(7.5)%	(4.8)%	(6.4)%	(20.0)%
Net gain on sale of business ³	10,677	—	10,677	—
Other expense, net of other income ⁴	532	422	2,159	4,968
Interest expense, net	1,552	1,650	6,804	6,741
Loss before tax	(151)	(7,541)	(26,960)	(112,410)
Income tax (benefit) expense	(1,755)	12,444	(1,382)	3,371
Net Income (Loss)	\$ 1,604	\$ (19,985)	\$ (25,578)	\$ (115,781)
Net Income (Loss) % of sales	1.4 %	(17.4)%	(5.7)%	(23.0)%
Basic (loss) earnings per share:	\$ 0.05	\$ (0.65)	\$ (0.82)	\$ (3.76)
Diluted (loss) earnings per share:	\$ 0.05	\$ (0.65)	\$ (0.82)	\$ (3.76)
Weighted average diluted shares outstanding (in thousands)	31,915	30,837	31,061	30,795
Capital expenditures	\$ 1,395	\$ 1,884	\$ 6,034	\$ 7,459
Depreciation and amortization	\$ 7,055	\$ 7,759	\$ 29,005	\$ 31,854

¹In September 2021, the Company was awarded a grant of \$14.7 million as part of the Aviation Manufacturing Jobs Protection Program. In the quarter and year ended December 31, 2021, \$7.6 million and \$8.7 million, respectively, was recognized as an offset to the cost of products sold.

²Impairment loss primarily represents the goodwill impairment charges incurred in the Aerospace segment. In 2020, full impairment charges were recorded for goodwill associated with the ACSC, PGA and CCC reporting units, and a partial goodwill impairment charge was recognized for the PECO reporting unit.

³Net gain on sale of business for the quarter and year ended December 31, 2021 is comprised of the additional gain on the sale of the Company's former semiconductor test business resulting from the contingent earnout for the 2020 calendar year.

⁴Other expense, net of other income, is primarily comprised of an equity investment impairment of \$3.6 million in the year ended December 31, 2020.

-MORE-

ASTRONICS CORPORATION

SEGMENT DATA

(Unaudited, \$ in thousands)

	<u>Three Months Ended</u>		<u>Year Ended</u>	
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Sales				
Aerospace	\$ 98,836	\$ 91,797	\$ 365,261	\$ 418,079
Less Inter-segment	—	—	(23)	(91)
Total Aerospace	98,836	91,797	365,238	417,988
Test Systems	17,216	23,198	80,027	85,589
Less Inter-segment	—	(192)	(357)	(990)
Total Test Systems	17,216	23,006	79,670	84,599
Total consolidated sales	116,052	114,803	444,908	502,587
Segment operating loss and margins				
Aerospace	(2,262)	(3,266)	(8,614)	(89,833)
	(2.3)%	(3.6)%	(2.4)%	(21.5)%
Test Systems	(1,807)	1,279	(3,765)	5,549
	(10.5)%	5.6%	(4.7)%	6.6%
Total segment operating loss	(4,069)	(1,987)	(12,379)	(84,284)
Net gain on sale of business	10,677	—	10,677	—
Interest expense	1,552	1,650	6,804	6,741
Corporate expenses and other	5,207	3,904	18,454	21,385
Loss before taxes	\$ (151)	\$ (7,541)	\$ (26,960)	\$ (112,410)

-MORE-

Reconciliation to Non-GAAP Performance Measures

In addition to reporting net income, a U.S. generally accepted accounting principle ("GAAP") measure, we present Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, non-cash equity-based compensation expense, goodwill, intangible and long-lived asset impairment charges, equity investment income or loss, legal reserves, settlements and recoveries, restructuring charges, gains or losses associated with the sale of businesses and grant benefits recorded related to the AMJP program), which is a non-GAAP measure. The Company's management believes Adjusted EBITDA is an important measure of operating performance because it allows management, investors and others to evaluate and compare the performance of its core operations from period to period by removing the impact of the capital structure (interest), tangible and intangible asset base (depreciation and amortization), taxes, equity-based compensation expense, other non-cash compensation or benefit expenses, goodwill, intangible and long-lived asset impairment charges, equity investment income or loss, legal reserves, settlements and recoveries, restructuring charges, fair value adjustments to the valuation of contingent consideration liabilities, gains or losses associated with the sale of businesses and grant benefits recorded related to the AMJP program, which is not commensurate with the core activities of the reporting period in which it is included. As such, the Company uses Adjusted EBITDA as a measure of performance when evaluating its business and as a basis for planning and forecasting. Adjusted EBITDA is not a measure of financial performance under GAAP and is not calculated through the application of GAAP. As such, it should not be considered as a substitute for the GAAP measure of net income and, therefore, should not be used in isolation of, but in conjunction with, the GAAP measure. Adjusted EBITDA, as presented, may produce results that vary from the GAAP measure and may not be comparable to a similarly defined non-GAAP measure used by other companies.

ASTRONICS CORPORATION
RECONCILIATION OF NET (LOSS) INCOME TO ADJUSTED EBITDA
(Unaudited, \$ in thousands)

	Consolidated			
	Three Months Ended		Year Ended	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net income (loss)	\$ 1,604	\$ (19,985)	\$ (25,578)	\$ (115,781)
Add back (deduct):				
Interest expense	1,552	1,650	6,804	6,741
Income tax (benefit) expense	(1,755)	12,444	(1,382)	3,371
Depreciation and amortization expense	7,055	7,759	29,005	31,854
Equity-based compensation expense	1,313	1,260	6,460	5,184
Goodwill and other asset impairments	—	—	—	87,016
Contingent consideration liability fair value adjustment	—	—	(2,200)	—
Restructuring-related charges including severance	85	(231)	577	5,327
Legal reserve, settlements and recoveries	8,374	—	8,374	1,450
Equity investment loss	—	—	—	3,600
Non-cash 401K contribution accrual	4,199	—	4,199	—
AMJP grant benefit	(7,540)	—	(8,670)	—
Net gain on sale of facility	(5,014)	—	(5,014)	—
Net gain on sale of business	(10,677)	—	(10,677)	—
Adjusted EBITDA	<u>\$ (804)</u>	<u>\$ 2,897</u>	<u>\$ 1,898</u>	<u>\$ 28,762</u>
Sales	\$ 116,052	\$ 114,803	\$ 444,908	\$ 502,587
Adjusted EBITDA margin	(0.7)%	2.5 %	0.4 %	5.7 %

-MORE-

ASTRONICS CORPORATION
CONSOLIDATED BALANCE SHEET DATA
 (\$ in thousands)

	<i>(unaudited)</i>	
	<u>12/31/2021</u>	<u>12/31/2020</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 29,757	\$ 40,412
Accounts receivable and uncompleted contracts	107,439	93,056
Inventories	157,576	157,059
Other current assets	45,089	26,420
Property, plant and equipment, net	95,236	106,678
Other long-term assets	21,439	27,952
Intangible assets, net	94,320	109,886
Goodwill	58,282	58,282
Total assets	\$ 609,138	\$ 619,745
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>		
Accounts payable and accrued expenses	\$ 91,257	\$ 69,165
Customer advances and deferred revenue	27,356	24,571
Long-term debt	163,000	173,000
Other liabilities	70,921	82,638
Shareholders' equity	256,604	270,371
Total liabilities and shareholders' equity	\$ 609,138	\$ 619,745

-MORE-

ASTRONICS CORPORATION
CONSOLIDATED CASH FLOWS DATA

(Unaudited, \$ in thousands)

Cash flows from operating activities:

	Year Ended	
	December 31, 2021	December 31, 2020
Net loss	\$ (25,578)	\$ (115,781)
Adjustments to reconcile net loss to cash flows from operating activities:		
Non-cash items:		
Depreciation and amortization	29,005	31,854
Provisions for non-cash losses on inventory and receivables	3,942	6,079
Equity-based compensation expense	6,460	5,184
Deferred tax (benefit) expense	(441)	15,553
Impairment loss	—	87,016
Net gain on sale of business	(10,677)	—
Net gain on sales of assets	(5,083)	—
Contingent consideration liability fair value adjustment	(2,200)	—
Operating lease non-cash expense	5,198	4,500
Non-cash 401K contribution accrual	4,199	—
Non-cash litigation provision	8,374	—
Restructuring activities	267	1,173
Equity investment other than temporary impairment	—	3,493
Deferral of federal payroll tax	—	5,877
Other	3,912	2,157
Cash flows from changes in operating assets and liabilities:		
Accounts receivable	(14,832)	53,928
Inventories	(5,150)	(13,614)
Prepaid expenses and other current assets	20	(45)
Accounts payable	8,610	(9,930)
Accrued expenses	(5,037)	(17,667)
Income taxes payable/receivable	156	(10,440)
Operating lease liabilities	(6,036)	(4,556)
Customer advanced payments and deferred revenue	(235)	(7,043)
Supplemental retirement plan and other liabilities	(404)	(403)
Cash flows from operating activities	<u>(5,530)</u>	<u>37,335</u>
Cash flows from investing activities:		
Proceeds from sales of businesses and assets	9,213	—
Capital expenditures	(6,034)	(7,459)
Other investing activities	—	1,662
Cash flows from investing activities	<u>3,179</u>	<u>(5,797)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	20,000	155,000
Principal payments on long-term debt	(30,000)	(170,228)
Purchase of outstanding shares for treasury	—	(7,732)
Financing fees	—	(360)
Stock award and employee stock purchase plan activity	3,396	666
Finance lease principal payments	(901)	(1,922)
Cash flows from financing activities	<u>(7,505)</u>	<u>(24,576)</u>
Effect of exchange rates on cash	(799)	1,544
(Decrease) Increase in cash and cash equivalents	<u>(10,655)</u>	<u>8,506</u>
Cash and cash equivalents at beginning of year	40,412	31,906
Cash and cash equivalents at end of year	<u>\$ 29,757</u>	<u>\$ 40,412</u>

-MORE-

ASTRONICS CORPORATION
SALES BY MARKET

(Unaudited, \$ in thousands)

	<u>Three Months Ended</u>			<u>Year Ended</u>			<u>2021 YTD</u>
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>% change</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>% change</u>	<u>% of Sales</u>
Aerospace Segment							
Commercial Transport	\$ 58,441	\$ 48,246	21.1 %	\$ 201,990	\$ 262,636	(23.1) %	45.4 %
Military	15,464	17,615	(12.2) %	70,312	67,944	3.5 %	15.8 %
Business Jet	15,542	15,178	2.4 %	56,673	60,437	(6.2) %	12.7 %
Other	9,389	10,758	(12.7) %	36,263	26,971	34.5 %	8.2 %
Aerospace Total	98,836	91,797	7.7 %	365,238	417,988	(12.6) %	82.1 %
Test Systems Segment excluding Semiconductor	17,216	22,930	(24.9) %	79,670	81,116	(1.8) %	17.9 %
Total Sales excluding Semiconductor	116,052	114,727	1.2 %	444,908	499,104	(10.9) %	100.0 %
Test-Semiconductor	—	76	(100.0) %	—	3,483	(100.0) %	— %
Total Sales	\$ 116,052	\$ 114,803	1.1 %	\$ 444,908	\$ 502,587	(11.5) %	

ASTRONICS CORPORATION
SALES BY PRODUCT LINE

(Unaudited, \$ in thousands)

	<u>Three Months Ended</u>			<u>Year Ended</u>			<u>2021 YTD</u>
	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>% change</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>% change</u>	<u>% of Sales</u>
Aerospace Segment							
Electrical Power & Motion	\$ 39,003	\$ 30,745	26.9 %	\$ 141,746	\$ 179,245	(20.9) %	31.9 %
Lighting & Safety	26,820	27,955	(4.1) %	103,749	118,928	(12.8) %	23.3 %
Avionics	17,546	18,732	(6.3) %	64,901	76,113	(14.7) %	14.6 %
Systems Certification	5,113	1,303	292.4 %	13,050	6,899	89.2 %	2.9 %
Structures	965	2,304	(58.1) %	5,529	9,832	(43.8) %	1.2 %
Other	9,389	10,758	(12.7) %	36,263	26,971	34.5 %	8.2 %
Aerospace Total	98,836	91,797	7.7 %	365,238	417,988	(12.6) %	82.1 %
Test Systems Segment excluding Semiconductor	17,216	22,930	(24.9) %	79,670	81,116	(1.8) %	17.9 %
Total Sales excluding Semiconductor	116,052	114,727	1.2 %	444,908	499,104	(10.9) %	100.0 %
Test-Semiconductor	—	76	(100.0) %	—	3,483	(100.0) %	— %
Total Sales	\$ 116,052	\$ 114,803	1.1 %	\$ 444,908	\$ 502,587	(11.5) %	

-MORE-

ASTRONICS CORPORATION
ORDER AND BACKLOG TREND

(Unaudited, \$ in thousands)

	Q1 2021 4/3/2021	Q2 2021 7/3/2021	Q3 2021 10/2/2021	Q4 2021 12/31/2021	Trailing Twelve Months 12/31/2021
Sales					
Aerospace	\$ 81,416	\$ 89,220	\$ 95,766	\$ 98,836	365,238
Test Systems	24,441	21,938	16,075	17,216	79,670
Total Sales	\$ 105,857	\$ 111,158	\$ 111,841	\$ 116,052	444,908
Bookings					
Aerospace	\$ 100,488	\$ 118,155	\$ 142,484	\$ 147,689	508,816
Test Systems	19,497	8,166	11,052	29,651	68,366
Total Bookings	\$ 119,985	\$ 126,321	\$ 153,536	\$ 177,340	577,182
Backlog					
Aerospace	\$ 210,153	\$ 239,088	\$ 285,806	\$ 334,659	
Test Systems	87,393	73,621	68,598	81,033	
Total Backlog	\$ 297,546	\$ 312,709	\$ 354,404	\$ 415,692	
Book:Bill Ratio					
Aerospace	1.23	1.32	1.49	1.49	1.39
Test Systems	0.80	0.37	0.69	1.72	0.86
Total Book:Bill	1.13	1.14	1.37	1.53	1.30

-###-